



# NEWSLETTER



September 2011

## Washington State FSA Office

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**Hours**  
Monday - Friday  
8:00 a.m. - 4:30 p.m.

### State Staff

Melissa Cummins,  
Chief Farm Loans

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information can be found at:  
[http://www.fsa.usda.gov/Intemet/FSA\\_File/sto\\_dir.pdf](http://www.fsa.usda.gov/Intemet/FSA_File/sto_dir.pdf)  
OR  
<http://offices.sc.egov.usda.gov/locator/app?state=wa&agency=fsa>

**NOTICE: Due to funding cuts, no paper newsletters will be printed until October. Until then, an electronic newsletter will be posted on the FSA WA web site (around the 15<sup>th</sup> of each month).**

## Signing up for newsletters

If you are interested in receiving newsletters via email or text alert, please visit [www.fsa.usda.gov/wa](http://www.fsa.usda.gov/wa) and sign up. Select "email updates" in the lower right navigation box and then select updates by state and county, then select the "+" next to Washington and the interested counties.

## Marketing Assistance Loans

As harvest continues throughout the state, FSA wants to remind producers about the availability of Marketing Assistance Loans (MALs). Commodity loans provide farmers with immediate funds using the harvested crop as collateral. This allows the farmer to hold off selling harvested or shorn commodities when prices are low and the ability to sell when prices have risen.

Loans are provided for grains, pulse-crops, oilseeds, and wool. Loans can be requested from the time the crop is harvested to one of three deadlines: January 31, March 31 or May 31, depending on the commodity.

The MALs mature nine months after approval of the loan, and are available on farm stored or warehouse stored crops. A national loan rate is set for each commodity which is modified locally to account for average prices and production where the crop is stored.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

The MAL fact sheet is located [here](#), and a specific one for pulse-crop loans is [here](#).

## AGI Reconciliation Process

In order to retain FSA program payments, producers must have an adjusted gross income verification consent form on file with the IRS. FSA will mail out notices to producers in September.

These forms authorize the IRS to verify whether a payment recipient meets eligibility requirements for FSA programs. This form first became a requirement for producers in the 2009 crop year.

Principal operators are not the only people required to have these forms on file. Landlords must also provide the required paperwork to IRS to be eligible for payments. For legal entities, all entity members must also file these forms. Without these forms on file, producers jeopardize receiving USDA program payments.

FSA is not the only agency affected by this verification process. Conservation and other program payments through the NRCS could also be impacted. Any participant who did not file the form or did not have it accepted by the IRS will receive notification of 2009 and 2010 program ineligibility later this year.

For more information on the income eligibility requirements or the corresponding verification process, contact your local FSA office. The adjusted gross income forms, [CCC-927](#) and [CCC-928](#), can also be downloaded from <http://fsa.usda.gov>.

## Fall Crop Insurance Reminders and Updates

USDA's Risk Management Agency (RMA) reminds producers of important **2012 crop year Federal Multi-Peril Crop Insurance (MPCI) sales closing dates** and changes to fall planted crop programs.

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## Crop Insurance Deadlines

### 2012 Crop Year

**9/30/2011** – Winter mint coverage, alfalfa forage seed pilot, and fall planted barley with winter coverage in selected counties. Also, fall planted dry peas/lentils with winter coverage in select counties and wheat.

### NAP Deadlines

#### 2012 Crop Year

**9/30/11** - Perennial grazing crops; perennial forage crops; forage seed crops; mint and wheat

**11/20/11** - All Perennial crops not listed under the 9/30 category (berries, fruit trees, grapes, asparagus); honey

## RMA insurance continued

- Winter coverage for the **Barley** Multi-Peril Crop Insurance (MPCI) program was added for Asotin County;
- Winter coverage for **Dry Peas** is available in Asotin, Douglas, Lincoln and Whitman counties Washington; and
- Coverage for the **Forage (Alfalfa) Seed Pilot** is provided via written agreement in counties outside the current pilot area: Grant and Walla Walla counties. Producers wishing to insure alfalfa seed in counties outside the current pilot area should submit requests for written agreements through an insurance agent by September 30, 2011.

If there is no coverage filed in a county for a specific crop under the traditional MPCI program, producers are encouraged to ask a crop insurance agent whether they would be eligible for coverage under a written agreement.

RMA reminds producers of the important link between Federal crop insurance and Farm Service Agency (FSA) disaster programs. For non-insurable crops, a producer may buy coverage under the Noninsured Crop Disaster Assistance Program by the closing date. For further information about timetables, please contact the local FSA County Office.

**Producers are encouraged to visit their crop insurance agent soon** to learn specific details for the 2012 crop year. Federal crop insurance program policies are sold and delivered solely through private crop insurance companies and agents. A list of crop insurance agents is available at all USDA Service centers throughout the United States or on the RMA [Web site](#).

## NAP Deadlines

The Non-Insured Crop Disaster Assistance Program provides financial assistance to farmers and ranchers who suffered crop damage from natural disasters. A NAP policy can be obtained from FSA for any commodity not covered by crop-insurance.

The application fee for NAP coverage is \$250 per crop, up to \$750 per county. The maximum for multiple crops in more than one county is \$1,875 per crop year. In return, the crop is covered from catastrophic loss of production or prevented planting due to natural disaster conditions. Waivers are available for limited resource farmers.

Losses must be reported to FSA within 15 days after the adverse weather event or when the loss becomes evident. Producers may receive a payment if all eligibility requirements have been met and the crop suffers greater than a 50% production loss for weather related damages. Some of the basic eligibility requirements include annual reporting of crop acreages, providing actual production evidence on a yearly basis and obtaining a loss adjustor appraisal if the damaged crop will be destroyed or left unharvested.

NAP is also a requirement for the Supplemental Revenue Assistance Payments (SURE) Program and other FSA disaster programs.

Contact the county office for more information to apply for NAP coverage.

A NAP fact sheet can be found at:

[http://www.fsa.usda.gov/Internet/FSA\\_File/nap\\_09.pdf](http://www.fsa.usda.gov/Internet/FSA_File/nap_09.pdf)

## Prompt Disaster Reporting

Prompt weather-related disaster reporting is crucial for FSA to determine the need for disaster designations, and ultimately provide producer assistance. Producers should report damage to their county FSA office as soon as it becomes apparent. Losses reported more than 15 days after the damage occurs or becomes apparent can impact eligibility for some disaster programs.

Disaster designations trigger availability of low-interest loans and direct payments under the Supplemental Revenue Assistance Payment Program (SURE) for farmers and ranchers. SURE benefits help offset the loss of farm revenue associated with the disaster year.

Producers are only eligible for SURE if they obtained crop insurance or Noninsured Crop Assistance Program (NAP) coverage on all crops of economic significance. NAP coverage is available through FSA for any crop that is not covered by Risk Management Agency crop insurance programs.

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### **ELAP and LIP deadline changes**

Livestock deaths are now eligible that have occurred no later than 60 days from the weather event before November 30, 2011. Previously, deaths had to have happened before October 1, 2011.

### **CRP Fact Sheets**

A General CRP fact sheet is located [here](#). A CRP haying and grazing fact sheet is [here](#).

### **SURE Fact Sheet**

A fact sheet for the SURE program explaining eligibilities and other information can be found [here](#).

## **Disaster Reporting Continued**

Emergency loans may be used to replace essential property or pay production costs associated with the disaster year. They may also be used to pay essential living expenses, reorganize a farming operation or refinance certain debts.

Helpful documentation includes the specific location of farm damage, date and time of the disaster event, the type of damage (hail, wind, etc), what was affected and the estimated percent of loss. Photographic evidence of significant damage is helpful also as both FSA and insurance agents use it in support of future program applications and cumulative damage reports.

## **CRP Reminders**

CRP participants with contracts that started October 1, 2010, need to report completion of cover crop seeding to receive cost share payments.

Participants with contracts in their fifth-to-sixth year are required to conduct mid-contract management activities. These activities enhance or reinvigorate the cover. Producers may also obtain a waiver from their local county committee.

Weed control is also a priority for CRP contract-holders. Noxious weeds and other undesirable plant species can negatively affect acreage of the contract-holder and neighboring land.

The annual rental payment generally includes some compensation for the costs of weed-removal. Failure to control weed populations can result in reduced payments, replanting requirements or in severe situations, termination of the CRP contract.

## **FSFL funding available**

Funding is still available for the Farm Storage Facility Loan (FSFL) program.

The FSFL program provides low-interest financing for producers to build or upgrade farm storage and handling facilities. Facilities for honey storage must have an active life of 15 years or more. Plans can be for a new facility, or upgrades to an existing building.

Interested producers must have NAP coverage or crop insurance to be eligible.

Facility plans are approved by the local FSA County Committee.

## **SURE funding update**

Legislative authority for the Supplemental Revenue Assistance Payments (SURE) program ends on September 30, 2011. Producers must meet specific eligibility requirements to receive SURE assistance for disasters that occur on or before September 30, 2011, and affect fall 2011 and 2012 crops.

Producers can apply for a 2011 or 2012 SURE payment if a crop of economic significance located in a primary or contiguous disaster county under a Secretarial Disaster Designation suffered at least a 10 percent loss because of disaster occurring on or before September 30, 2011.

Crops are not required to be harvested on or before September 30, 2011, to maintain SURE eligibility. A loss claim will only trigger after FSA determines that the loss was because of disaster occurring on or before September 30, 2011. Losses that result from disasters that occur after September 30, 2011, will not be eligible for SURE benefits.

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